

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

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In re	§	Chapter 11
	§	
COMPUTE NORTH HOLDINGS, INC.	§	Case No. 22-90273 (MI)
<i>et al.</i> <sup>1</sup> ,	§	
	§	
DEBTORS.	§	(Jointly Administered)

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**MP2 ENERGY TEXAS LLC D/B/A SHELL ENERGY SOLUTIONS’ SUPPLEMENTAL  
LIMITED OBJECTION TO DEBTORS’ NOTICE OF FILING OF CURE SCHEDULE  
IN CONNECTION WITH PROPOSED SALE  
[Relates to Doc. No. 209 and 367]**

TO THE HONORABLE MARVIN ISGUR, UNITED STATES BANKRUPTCY JUDGE:

MP2 Energy Texas LLC d/b/a Shell Energy Solutions (“MP2”) presents this supplemental limited objection (“Supplemental Objection”) to the above captioned Debtors’ (collectively, the “Debtors”) *Notice of Filing of Cure Schedule in Connection With Proposed Sale* [Dkt. No. 209] (the “Cure Notice”), due to the understated cure amounts asserted in the Cure Notice. The purpose of the Supplemental Objection is to include the pre-petition and post-petition amounts of the October monthly billing as reserved in *MP2 Energy Texas LLC d/b/a Shell Energy Solutions’ Limited Objection to Debtors’ Notice of Filing of Cure Schedule in Connection with Proposed Sale* [Dkt. No. 367]. In support of this Supplemental Objection, MP2 offers the following:

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

## **BACKGROUND FACTS AND PROCEDURAL HISTORY**

1. On September 22, 2022, Compute North Holdings, Inc. and eighteen (18) of its affiliated entities filed voluntary petitions for relief with this Court under Chapter 11, Title 11 of the United States Bankruptcy Code. On September 23, 2022, the Court granted the Debtors' request for Joint Administration of Debtors' individual Chapter 11 Cases.

2. On October 18, 2022, Debtors filed its Notice of Filing of Cure Schedule in Connection with Proposed Sale [Dkt No. 209]

3. Compute North LLC and Compute North Texas LLC have entered into several executory contracts with MP2 with respect to electricity supply and electricity demand response for 01701 Apron Drive, Big Spring, Texas 79720 (herein the "Big Spring Facility").

4. MP2 continues to provide electricity to the Big Spring Facility.

5. According to its books and records, MP2 is owed not less than \$2,462,782.24 for electricity supplied pre-petition under contracts with Compute North LLC and Compute North Texas LLC ("Electricity Supply Contracts"). See documentation attached as Exhibit A.

6. As previously mentioned, MP2 continues to supply electricity to the Big Spring Facility post-petition under the Electricity Supply Contracts. All post-petition amounts must be paid in full for the Electricity Supply Contracts to be assumed. As of October 19, 2022, the outstanding post-petition amount under the Electricity Supply Contract is \$308,006.54.

7. Compute North LLC and MP2 have executory contracts for electricity demand response ("Demand Response Contracts"). Under the Demand Response Contracts, MP2 may request Compute North LLC reduce its electricity consumption during high demand periods to reduce stress on the power grid. When Compute North LLC complies with this request, MP2 pays

Compute North LLC for the reduction. The amounts due to Compute North under the Demand Response Contracts are applied to the amounts owed under the Electricity Supply Contracts.

8. Debtors Cure Notice proposes a total cure amount for the Electricity Supply Contracts of \$2,120,635.80.

9. Debtors Cure Notice proposes an “aggregate cure amount” for the Demand Response Contracts of \$1,048,381.00.

### **BASIS FOR RELIEF**

10. A debtor must cure any existing default under an executory contract prior to assumption. See 11 U.S.C. § 365(b)(1). Under the Bankruptcy Code, a debtor normally has to ‘cure’ all defaults before it may assume a pre-petition executory contract.” *In re Texas Commercial Energy*, 607 F.3d 153, 160 (5th Cir. 2010).

11. Debtors have understated the pre-petition claims of MP2 for both Electricity Supply Contracts and the Demand Response Contracts.

12. After allowing all just credits, offsets, and payments, Debtors are in default under the Electricity Supply Contracts in an amount not less than \$2,462,782.24 as of Petition Date. MP2 continues supplying electricity to the Big Spring Facility post-petition. The total cure amount of the Electricity Supply Contracts may increase if payments for post-petition supplied electricity are not made. Accordingly, the Electricity Supply Contracts cannot be assumed without making full payment of the cure amount.

13. Debtors are not in default under the Demand Response Contracts as of Petition Date.

### **RESERVATION OF RIGHTS**

14. MP2 reserves its rights to amend and/or supplement this objection to assert and claim any additional amounts that may be due under the above-mentioned contracts and assert any further and additional objections to the Debtors' final proposed assumption and assignment to the extent appropriate.

### **PRAYER FOR RELIEF**

MP2 respectfully requests entry of an order (i) conditioning the assumption of the Electricity Supply Contracts upon the cure of all monetary defaults thereunder, to be not less than \$2,462,782.24; (ii) granting MP2 such other relief the Court deems appropriate.

Dated: November 4, 2022

Respectfully submitted,

**COKINOS | YOUNG**

By: /s/ Maria M. Bartlett

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SOLUTIONS**

**CERTIFICATE OF SERVICE**

I hereby certify that on November 4, 2022, a true and correct copy of the foregoing Supplemental Objection was served on all parties entitled to service via this court's ECF filing system and/or by email on the following parties and counsel of record.

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